

User Fees and Charges

In the budget debates from 1993 through 2000, Republicans repeatedly criticized President Clinton for proposing “tax increases” in the form of user fees. This year’s budget imposes new “tax increases” in the form of user fees totaling \$47.2 billion over five years. Congress has rejected many of these new fees and user charges in the past and is likely to do so again. The new fees include items such as requiring certain veterans to pay enrollment fees for medical care and charging fees for meat safety inspections (see complete list below).

Every one of the Bush Administration’s budgets has included billions of dollars in new fees and user charges. Moreover, the amount of new fees in the budget grows every year. The table at right illustrates the steady increase in the extent to which the Administration relies on new fees and user charges in putting together its budget. The President’s 2002 budget included \$4.9 billion in new fees over five years (2002-2007). The 2007 budget includes \$47.2 billion in new fees over five years (2007-2011) – a nearly ten-fold increase.

User Charge Proposals in the President’s Budgets <i>(five-year totals, in billions of dollars)</i>	
<u>Budget for year:</u>	<u>Amount proposed:</u>
2007	\$47.2
2006	\$44.7
2005	\$19.5
2004	\$15.3
2003	\$10.4
2002	\$ 4.9

User Fee and Other User Charge Proposals in the President's Budget

Estimated Collections in Millions of Dollars

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2007–11</u>
DISCRETIONARY						
1. <i>Offsetting collections</i>						
Department of Agriculture						
Farm Service Agency user fees	35	34	34	33	34	170
Department of Defense						
Medical care fees	249	635	907	1,106	1,353	4,250
Department of Health and Human Services						
Medicare program management: Survey and certification user fee	35	34	34	33	34	170
Department of Homeland Security						
Transportation Security Administration: Aviation security fees	1,631	1,778	1,938	2,105	2,283	9,735
Department of Housing and Urban Development						
Office of Federal Housing Enterprise Oversight: Government-sponsored enterprise (GSE) regulation	–62	–60	–60	–59	–59	–300
Department of Justice						
Bureau of Alcohol, Tobacco, Firearms, and Explosives: Explosives regulation user fees	120	116	115	114	115	580
Department of Transportation						
St. Lawrence Seaway Development Corporation commercial tolls	9	9	9	9	9	45
Department of Veterans Affairs						
Medical care fees:						
Prescription copayments for PL 7s and 8s	288	255	255	255	254	1,307
Annual enrollment user fee for PL 7s and 8s	226	229	221	212	204	1,092
Eliminating offset of copayments with insurance collections for PL 7s and 8s	30	34	38	42	47	191
Commodity Futures Trading Commission						
Transaction fees	127	123	122	120	122	614
2. <i>Offsetting receipts</i>						
Department of the Interior						
Abandoned mine reclamation fees	312	79	.....	.....	.....	391
Repeal Energy Bill fee prohibition	.....	20	20	20	20	80
<i>Subtotal, discretionary user charge proposals</i>	<i>3,000</i>	<i>3,286</i>	<i>3,633</i>	<i>3,990</i>	<i>4,416</i>	<i>18,325</i>
MANDATORY						
1. <i>Offsetting collections</i>						
Department of Housing and Urban Development						
Government-sponsored enterprise (GSE) regulation	6	6	6	6	6	30
Federal Housing Enterprise Regulator						
Government-sponsored enterprise (GSE) regulation	98	98	98	98	98	490
Federal Housing Finance Board						
Government-sponsored enterprise (GSE) regulation	–36	–38	–39	–40	–41	–194
2. <i>Offsetting receipts</i>						
Department of Agriculture						
Food Safety and Inspection Service user fees	105	155	148	151	154	713
Grain, Inspection, Packers, and Stockyards Administration (GIPSA) user fees	20	20	21	21	22	104
Agricultural Marketing Service standardization and marketing orders user fees	14	14	15	15	15	73
Animal and Plant Health Inspection Service user fees	8	11	11	12	12	54
Federal crop insurance fees	.....	15	15	15	15	60

Department of Defense

National defense stockpile asset sales: Authorization for additional sales

1 50 72 80 96 299

Department of Health and Human Services: Food and Drug**Administration**

Re-inspection fees

22 23 23 24 24 116

Food and animal feed export certification fees

4 4 4 4 4 20

Department of Homeland Security

Immigration examination fees

31 31 31 31 31 155

Department of the Interior

Bureau of Land Management land sale authority

..... 5 9 14 52 80

Arctic National Wildlife Refuge, lease bonuses:

..... 3,502 2 503 3 4,010

Collections for payments to Alaska

..... 3,502 2 503 3 4,010

Collections deposited in the Treasury

Department of Labor

Foreign labor certification fees

35 35 35 35 35 175

Pension Benefit Guaranty Corporation premiums

..... 4,202 4,209 4,223 4,237 16,871

Department of the Treasury

Alcohol and Tobacco Tax and Trade Bureau regulatory activity user fees

29 29 29 29 29 145

Corps of Engineers—Civil Works

Additional recreation fees

9 17 17 17 17 77

Environmental Protection Agency

Pesticide user fees

56 66 53 53 53 281

Pre-manufacture notice user fees

4 8 8 8 8 36

Federal Communications Commission

Authorize spectrum license fees

50 150 300 300 400 1,200

*Subtotal, mandatory user charge proposals**456 11,905 5,069 6,102 5,273 28,805***GOVERNMENTAL RECEIPTS****Department of the Interior**

National Indian Gaming Commission activity fees

..... 5 5 5 5 20

Total, Proposed New User Fees and Other Charges***3,456 15,196 8,707 10,097 9,694 47,150***